

London Health Administrators

Case Study: “Health Care Savings Network”

Business of Focus: Textile Processing Plant located in Revere, MA

- *Voluntary Long-Term Disability (LTD) Insurance Plan Enrollment = 104 employees*
- *Group Term Life Insurance Plan = 127 employees*
- *Both insurance policies were with the same insurance carrier*
- *Employee pays for 100% of their LTD plan, Employer pays 100% for the employee’s Term Life Insurance Plan*

1997 - Health Plan Problem (before London): In 1997, the Processing Plant was experiencing two employee benefit problems: 1) expensive Term Life and LTD insurance plans, and 2) high number of employee claims denied. The client wanted a cure for these problems without increasing the workload for their human resource department.

1998 – Insurance Solution: In 1998, London Health Administrators implemented their “Health Care Savings Network” to find Group Term Life and Voluntary LTD insurance plans that fit the specific needs of the Processing Plant. First, London analyzed the current coverages enforced and found that the insurance carriers were over-charging based on unnecessary risk assessments. The insurance carrier was taking advantage of the lack of competition.

After determining the inefficiencies in their current insurance programs, London conducted an online auction, which forced competing carriers to deliver an unbiased quote. With an equitable buying process the client was able to choose the best carrier based on price, customer service, and claim approval percentage.

Through 1998, after the Group Life and Voluntary LTD plans were implemented, London offered a free claims concierge service for employees. This service was to be used by the Processing Plant’s employees in order to receive assistance during the application process and claim acceptance period. London’s team worked with every employee and communicated with insurance carriers so the employee and/or HR department would not be hassled.

1998 - Results: The success of utilizing London’s “Health Care Savings Network” was seen immediately. In the first year of implementing the Term Life and LTD products, the premium savings was 16% in LTD, and 21% in Term Life insurance. More specifically, the turnaround of LTD claim approval was drastically improved. This ended up in pleasing the employees and decreased the amount of calls to the HR department.

** Disclaimer: London cannot provide real names of clients based on client’s confidentiality agreement **